

# MIDWEST REGION

ILLINOIS INDIANA IOWA MICHIGAN MINNESOTA MISSOURI NEBRASKA WISCONSIN ONTARIO

## Midwest Region Local Produce Getting Started

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# Local Program Overview

- World's Largest Natural and Organic Retailer; first Certified Organic grocer in the U.S.
- 12 Regions across North America and UK; 300+ locations
- Three Tiers of Purchasing: Global, Regional, and Store
- Focus is on high quality natural and organic product
- Built around a set of Core Values
- New Produce Rating program coming in the Fall 2014

# Our Core Values

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- Selling the Highest Quality Natural and Organic Products Available
- Satisfying and Delighting Our Customers
- Supporting Team Member Happiness and Excellence
- Creating Wealth through Profits and Growth
- Caring about our Communities and Our Environment
- Creating ongoing win-win partnerships with our suppliers
- Promoting the health of our stakeholders through healthy eating education

# Quality Standards

- We carefully evaluate each and every product we sell
- We feature foods that are free from artificial preservatives, colors, flavors, sweeteners and hydrogenated fats.
- We are passionate about great tasting food and the pleasure of sharing it with others.
- We are committed to foods that are fresh, wholesome and safe to eat.
- We seek out and promote organically grown foods.
- We provide food and nutritional products that support health and well-being.

# Approach to Local & Regional Sourcing

- Local products are those that are grown, raised, manufactured and packaged in the store's home state.
- Committed to working with local farmers and artisans
- De-centralized approach that allows flexibility for regions and stores. Midwest Distribution in Munster, IN.
- Seek out new and unique products
- Dedicated Forager and assistant to aid the region's local business.
- Midwest sourcing when local not available keeping business regional
- Local Producer Loan Program

# Working with Retailers

- Producing for wholesale markets presents a new set of opportunities and challenges. It is quite different from direct marketing or selling on the open market.
- WFM has built its reputation on offering the highest quality products available.
- We insist our growers adhere to proper postharvest handling and packing techniques and adhere to USDA grading standards.



# Produce pride



# Commitment

- The MW Produce buying team is committed to the continued growth of our local program.
- Our Produce team is always seeking new opportunities. We are working hard to create new winning partnerships in specialty produce products with farmers in Michigan.
- We value our vendors and are dedicated to creating win-win relationships with them.



# Starting/maintaining business relationship

- There are many requirements which can be time consuming, but it's important to keep-up to help both parties interest.
- It's important to find who our contacts for support are on both ends.
- Providing accurate information in a timely manner is a big piece of having a successful season.

# Submitting to Whole Foods Market

- Start with one store. Meet with the store produce team leader. Bring samples if possible.
- Regional Buyer takes over if the store leader likes your product. You will need GAP certification. There will be a Farm visit, in some cases 3<sup>rd</sup> party certifiers and inspections for food safety and handling.
- We need to be able to trace all product back to the source with documentation.

# Talk to David



## THE BRINERY

ANN ARBOR, MICHIGAN

**MEET DAVID SATURN KLINGENBERGER-**  
David founded The Brinery to preserve organic, locally-grown produce like cabbage and cucumbers by fermenting them into sauerkraut, kimchi and pickles.



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# Submitting To Whole Foods Martket

## Paperwork

**Packet A:** Covers the basic information about your business, product and location

**Packet B:** More detailed. We will give you Packet B to fill out where we request

- Insurance information-\$1,000,000 is the minimum, this amount varies by commodity.
  - Electronic Funds Transfer- must set up
  - DVO-Direct Vendor Ordering
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- Final Step-NPAF
    - New Product authorization form
    - Product should be ready to be ordered in about a week

# Keys to Success

## Once in a Whole Foods Market, important to

- Demo often. With Produce it is hard as you are very busy during your harvest. Consider a demo service and networking with other vendors. Talk to the store Produce Team Leader who may be able to help.
- Provide Samples
- Stay on top of filling orders.

## Branching out to other stores

- We usually ask vendors to start at one location before going to other stores.
- Once a proven success, you can approach buyers at others stores.
  - Process is much quicker than the initial process and only requires a New Product Authorization Form to be filled out.
  - Once successful at all stores in one state, have the possibility to go regional.

# Michigan Vendors Success Stories



## CINZORI FARMS

CERESCO, MICHIGAN

**MEET DON & ANTHONY CINZORI-**  
Specializing in: Beans, Greens, Cabbages, Tomatoes, Peppers, Eggplant, Cucumbers, Fresh Basil. This 60-acre, second generation organic farm has operated since 1975, and was certified organic in 1985.



## GOOD NEWS FARMS

EDMORE, MICHIGAN

**MEET MICHIGAN SDA CONFERENCE-**  
Good News Farm emerged from the vision of educators and business people who wanted to provide practical work opportunities for high school students. The farm rounds out the academic experience at Great Lakes Adventist Academy. It gives students the chance to learn sustainable farming and provides the community with healthful organic produce.



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# Michigan Vendor Success Stories



## EATER'S GUILD

BANGOR, MICHIGAN

**MEET LEE AND LAURIE ARBOREAL-** Eaters' Guild grows nearly every crop possible in southeastern Michigan, including a wide variety of cooking greens, lettuce, carrots, kale, squash and melons.



## TODD GREINER FARMS

HART, MICHIGAN

**MEET TODD & SARAH GREINER-** You might say that farming is in Todd Greiner's blood: he grew up on a family farm, where he developed a life-long love of agriculture. After graduating from college, Todd purchased his own 120-acre farm, which has now expanded to 1,100 acres. Todd grows an array of fruits, vegetables and Christmas trees.



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# Local Producer Loan Program



 As a part of our commitment to our community partners, Whole Foods Market provides up to \$10 million a year in low-interest loans. We're proud to help our local farmers and producers pursue their passions.



## Featherstone Farm

Rushford Village, MN  
Owner: Jack Hedin

Featherstone Farm, a 2008 recipient of a Whole Foods Market Local Producer Loan, is best known throughout the Midwest for its rich-flavored heirloom tomatoes.

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# Local Producer Loan Program

- WFM has committed up to \$25 million in small, low-interest loans to independent local farmers and food artisans
- Loan amounts between \$1,000 and \$100,000 (maximum \$25,000 for start-ups)
- The program was launched in 2006, starting with a 10 Million commitment
- Over 160 loans made so far
- Over \$9 million loaned so far!
- Average loan \$53,000, 5.3% interest rate



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# Local Producer Loan Program

- Featherstone Farms in Minnesota
- Avalon Bakery in Michigan
- Z-Best Bakery in Illinois
- Fruitland American Meat in Missouri
- Bee Girl Enterprises (aka Heritage Prairie Farms) in Illinois
- Tiny But Mighty Popcorn in Iowa
- Real Foods in Wisconsin (aka Sweet Grass Creamery)
- Harvest Moon Farms in Wisconsin



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# Loan Eligibility

- Expanding or broadening production; examples include:
  - Buy more animals
  - Invest in new equipment or infrastructure
  - Organic certification
- Business is strong and owner has a viable business plan
- Existing relationship with WFM (ideal)
- Must meet WFM quality standards



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# Program Benefits

- Mission-driven program, WFM core values
- Competitive Differentiator
- Vendor partnerships and loyalty
- Positive publicity
- Securing critical supply



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# Social Impact

- Serve as a business resource to recipients
- Make available sums of capital to other mission-driven companies
- Borrowers not only receive financing to meet their capital needs; through a close relationship with WFM, each becomes part of a larger community working to change the way the world eats.



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# Adding Value Beyond Capital

- Incubation: conduct vendor training days with access to industry experts
- Mentoring: internal WFM resources available for support
- Community: Alumni Engagement and networking opportunities
- Priority: Global and regional commitment to purchase



# What must grower have?

- Completed paperwork ahead of time
- updated insurance coverage with required limits.
- Food safety or HACCP audits as requested. Purchase orders cannot be issued if paperwork is not completed and approved by appropriate personal within WFM. Liability for submission in a timely manner rests solely with grower/shipper.
- Any delays resulting from improperly completed paperwork or non completed paperwork can result in non issue of purchase orders at the time crops are ready to sell.

# What do growers need to know to work with WFM?

- Our growth keeps making the process more complex, and we continually striving for seamless organization.
- We do our planning in January and February, and in some cases earlier with new potential growers in December prior to the next growing season.
- Establish commodities WFM has agreed to purchase with quantities per week, establishing price WFM will pay for product.

# How does grower get product to MWD and Stores?

- Grower can deliver locally--if they deliver refrigerated truck with appropriate licensing and insurance must be presented for review to WFM
- We can pickup--growers need to have dock to support 52'ft semi tractor trailer, solid pavement or gravel driveway with plenty of room to maneuver. Proper highway access including proper weight requirements.

# What do growers provide weekly to buyers?

- Updated crop projections as requested.
- Updates 10-14 days out for new crops for purchase
- Updated costs with crop projections weekly as agreed
- Any shortages not anticipated, but evident at time of packing should be communicated to MWD buyer(s) 24 hours in advance.



# Packaging:

- All boxes MUST contain labeling of contents
- All organic product MUST be labeled, each and every box All boxes MUST contain labeling identifying farm and/or shipper
- All boxes MUST contain agreed upon pack out of product All boxes MUST meet industry standard for approved packaging of contents

# Packaging

## Labeling

- Product has nutritional facts and proper disclaimers
- Units of measure and expiration dates
- Has a UPC or bar code
  - Can be purchased online-used or new
  - Must have different UPC number for each flavor

## Packaging

- Durable
- Easy to merchandise

All vendors must have a complete HACCP and Recall plan

# Invoicing

- All invoicing needs to have clearly marked invoice # and purchase order # on.
- All invoicing need to contain name of farm and/or shipper
- All invoicing need to contain either delivery or pickup date
- All invoicing MUST list on separate lines for each commodity shipped, with case count(s) and individual case cost(s)
- All invoicing MUST not contain a separate line for pallet charges. Pallets can either be exchanged or must be written into the cost of goods per case-

# -Invoicing continue

- All invoicing for delivered product by vendor must list pricing as delivered cost of commodities.
- All invoicing **MUST** not contain a separate line for freight charges unless agreed upon prior to delivery, minimum of 48 hours prior to delivery.
- Any ancillary charges of any kind should be worked into the cost per case for product.
- All invoicing **MUST** contain a total of all individual commodity charges, preferably at the bottom of the invoice.

# Good delivery standards:

- It is important to understand what the disposition of product is if product is rejected.
- We currently use PACA good delivery standards in most cases, however; there are some circumstances where we may request to apply PACA standards as they relate to point of shipping.
- Both WFM and farmer/shipper have a legal right in the case of a rejection to request a 3rd party arbitrator, USDA to inspect product and render a decision.
- If product does not meet good delivery the burden falls upon the grower/shipper to have product removed from WFM distribution center.
- Please note, repeated failures to meet good delivery standards place a burden on our business and may/will result in disruption of purchases.

# Packaging Standards (Floral)

- Starter Plants: Prefer uniform packaging
- All Potted items:
- Labeling: Origin, PLU or UPC, Volume
- Retail ready: starter plants should meet vendor guidelines
- Quality Standard Reminder: Whole Foods Market prohibits: Feathers, Glitter, Varnish, Paint, Mylar/ Foil, Novelty Picks, Stuffed Animals and Balloons
- Minimize Product Packaging when possible



# New Product Innovation (Floral)

- Herb, Fruit and Vegetable: Focus on best selling items first
- Small crop trial: prefer to try in few stores first season
- Tell the story: Why has the new item been chosen to grow? Educate the team members and the customers.

# Planning Calendar (Floral)

- Planning ahead for key items and data.
- Four to six months preferred for costs and data submission.
- Items with longer grow time or trial crop plants may be discussed as needed.

# Future store opening...

- Lansing, Late 2014 or Early 2015
- Present Michigan Locations

Ann Arbor,

Washtenaw Ave

Cranbrook

Troy

West Bloomfield

Rochester Hills

Midtown Detroit

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## Questions???



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MARKET